(c) the steps taken to make the cooperative credit system sustainable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS {SHRIANANDRAO VITHOBA ADSUL): (a) Reserve Bank of India (RBI) has reported that out of the 2096 Urban Co-operative Banks (UCBs) operating in the country, 397 have been classified as weak/ sick as on date.

(b) RBI has reported that it has cancelled the licences/rejected the applications for licences in respect of 88 UCBs.

(c) RBI reviews the system of regulation and supervision of UCBs and has taken a series of measures to correct the systematic deficiencies and to strengthen the system of regulation and supervision of UCBs. These measures *inter-alia* include putting ceiling on operations in call money market and bank finance against shares and debentures, increase in percentage of SLR investments in Government Securities, restrictions on interest rates on deposits offered by UCBs and investment of funds as deposit with other UCBs, etc.

Model Accounting Standards

646. SHRI RK.MAHESHWARI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is any need to improve corporate governance codes and model accounting standards in order to insulate itself from accounting scandals;

(b) if so, whether Government have formulated any plan in this regard;

(c) if so, the details thereof;

(d) whether Government are aware that C&AG of India has already set up a Government Accounting Standards Advisory Board to review and finalise the first set of Government Accounting Standards to be followed by the Government run companies both at the Centre and State levels; and

(e) if so, by when this plan is likely to be implemented?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS {SHRI JASWANT SINGH): (a) to (c) Yes, Sir. That is why the Government from time to time has taken steps to improve Corporate Governance by making provisions in the Companies Act, 1956 such as (i) providing for compliance with the accounting standards in perparation of profit and loss account and balance sheet (section 211), (ii) to cast a duty on the Board of Directors to include *inter-alia* in the Directors" Responsibility Statement that applicable accounting standards had been followed [section 217 (2AA)] and (iii) to provide for appointment of an audit committee by the companies having paid up capital of not less than rupees five crores (292A).

(d) and (e) The Comptroller and Auditor General of India has constituted Government Accounting Standards Advisory Board for the Union and the States in order to establish and improve standard of Governmental accounting and financial reporting and enhance accountability mechanism. This Board will not advise on the issues related to the Accounting Standards to be followed by Government-run-companies at the Centre and State level.

Survey on black money

647. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether according to the survey conducted by National Institute of Public Finance and Policy there is large scale circulation of undisclosed/ black money in the country;

(b) if so, what is the outcome of the survey;

(c) what is Government's response in this regard;

(d) whether the schemes launched by Government to unearth black money have achieved the desired results;

(e) if not, the reasons therefor and the steps proposed to be taken to formulate new schemes to unearth black money in the country; and

(f) the extent to which the circulation of black money in the country can be controlled?